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the state. The intrusion of the government into private undertakings without doubt increases the opportunities for corruption, and in public enterprises the opportunity is the only requisite for the condition.

Thus the time-worn argument of the Socialists, that we "ought to" get better and cheaper service through government ownership of industries, is overcome by relentless facts of actual experience. Operation and regulation are two distinctly different activities and should be carried on by distinctly separate bodies. The latter only is the function of the state.

The enthusiastic, rapid-fire style of the author increases (or at least sustains) interest in his theme, but the chief difficulty of the book is that the number and diversity of the topics discussed render a thorough presentation of any of them difficult. Guyot at times unquestionably draws unwarranted conclusions from incomplete facts. The various chapters are very loosely connected and it is almost impossible to trace throughout any general principles which might bind them together. The book is at times more polemical than scientific, but its chief value, it seems, is not that the reader is convinced of the soundness of the author's argument, but that it may serve as a sort of a safety-check upon the enthusiast of government ownership. It at least demonstrates that the last word upon the problem has not yet been spoken, that many of the plausible-sounding arguments advanced in favor of government ownership are not yet conclusively proved. It should provide interesting controversial data for the opponent of public ownership and may be summed up as stimulating rather than scientifically exact. Its actual positive effect in preventing further government activity in the economic field will doubtless be insignificant, but it may be of value in pointing out some of the prime weaknesses of government ownership and administration.

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*American Railroad Economics.* By A. M. SAKOLSKI. New York: Macmillan, 1913. 12mo, pp. 295. \$1.25 net.

This publication is a textbook for investors and students of railway affairs and is designed particularly as a guide for the proper study and interpretation of a railroad annual report. The author is a staff lecturer in the New York University School of Commerce, Accounts, and Finance. His book is the product of his activities, both as an investment analyst in New York and as a lecturer on transportation economics.

His purpose was to study railroads as business enterprises by a critical examination of facts and figures derived from railroad reports and other publications, with a view to assisting in the correct judgment of railroad activities and operating results. Dr. Sakolski feels that on the one hand the voluminous statistical data and other information contained in railroad reports are generally accepted without much inquiry, but that, on the other hand, the work done thus far by professional analysts and statisticians is too much inclined to gauge railroad activities by rigid standards and definite mathematical formulae. This kind of method he seeks to avoid. He makes no attempt to lay down rules or to cite averages. Instead he endeavors to show what factors outside of the bare figures should be considered in making comparisons between results of a certain kind on different roads, and the relative weights that must be given to various factors under widely varying and constantly changing conditions, which include consideration of legal, statistical, economic, and physical matters. The material is classified under four heads: data regarding the character of the transportation facilities, including an analysis of the physical features of railways, in so far as they influence operating results; data measuring efficiency and economy of operation, including a consideration of traffic and mileage statistics; data measuring revenues, expenses, and net earnings, including a study of the income account and the profit and loss account; and data measuring the capital investment in relation to the corporate resources and liabilities, including an analysis of capital and the general balance sheet. In order that these topics may be more clearly understood, preliminary chapters are inserted, treating of railroad rates and railroad securities, and describing the important railroad systems of the United States. One of the particularly interesting chapters is devoted entirely to the Interstate Commerce Commission's system of accounting for railroads, including a discussion of the motive for the formulation of such a system and some of the controversial views of different features of the commission's system. Another good chapter is that on the general balance sheet, which, the author says, when properly interpreted furnishes a better indication of financial status and of investment value than current earnings, which often are the result of temporary conditions.

The book should be of great value to railway investors and other persons who have occasion to study railway annual reports, and particularly to the student of railway affairs.

HAROLD F. LANE